

DEBTOR(S): Powell Valley Health Care, Inc.

MONTHLY OPERATING REPORT

CHAPTER 11

CASE NUMBER: 16-20326

**Form 2-A
COVER SHEET**

For Period End Date: 12/31/2017

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each

Required Document:

Debtor must attach each of the following documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts (Redact all but last 4 digits of account number and remove check images)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts
<input type="checkbox"/>	<input type="checkbox"/>	9. Evidence of insurance for all policies renewed or replaced during month

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 1-19-18

Print Name: Terry Odom

Signature: _____



Title: Chief Executive Officer

DEBTOR(S) Powell Valley Health Care, Inc. **CASE NO:** 16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 12/01/2017 to 12/31/2017

CASH FLOW SUMMARY

	<u>Current Month</u>	<u>Accumulated</u>
1. Beginning Cash Balance	\$ <u>3,493,075</u> (1)	\$ <u>3,499,673</u> (1)
2. Cash Receipts		
Operations	4,969,082	77,019,822
Sale of Assets	0	0
Loans/advances	0	0
Other	0	2,170
Total Cash Receipts	\$ <u>4,969,082</u>	\$ <u>77,021,992</u>
3. Cash Disbursements		
Operations	4,412,450	76,125,383
Debt Service/Secured loan payment	0	0
Professional fees/U.S. Trustee fees	0	0
Professional fees paid from retainer (e.g. COLTAF accts)	0	0
Other	0	346,575
Total Cash Disbursements	\$ <u>4,412,450</u>	\$ <u>76,471,958</u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	<u>556,632</u>	<u>550,034</u>
5 Ending Cash Balance (to Form 2-C)	\$ <u>4,049,707</u> (2)	\$ <u>4,049,707</u> (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash	<u>Powell Valley Healthcare</u>	\$ 2,170
DIP Operating Account	<u>1st Bank Wyo 8425</u>	-59,446
DIP State Tax Account		0
DIP Payroll Account	<u>1st Bank Wyo 4501</u>	-563,327
Other Operating Account	<u>1st Bank Wyo See form 2G</u>	4,670,310
Retainers held by professionals (i.e. COLTAF)		0
TOTAL (must agree with Ending Cash Balance above)		\$ <u>4,049,707</u> (2)

(1) Accumulated beginning cash balance is the cash available at the commencement of the case and retainers.
Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 12/01/2017 to 12/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

Date	Payer	Description	Amount
12/01/2017	Medicare EFT	Patient/Resident account	10,659.76
12/01/2017	Other commercial	Patient/Resident account	2,651.87
12/01/2017	Other	Cash Payment	16,041.65
12/01/2017	Other EFTs	Patient/Resident account	59,839.82
12/04/2017	Medicare EFT	Patient/Resident account	34,412.96
12/04/2017	Other commercial	Patient/Resident account	6,299.02
12/04/2017	Other	Cash Payment	24,359.93
12/04/2017	Other EFTs	Patient/Resident account	164,043.68
12/05/2017	Medicare EFT	Patient/Resident account	43,487.49
12/05/2017	CIGNA	Patient/Resident account	3,435.76
12/05/2017	Other commercial	Patient/Resident account	15,600.77
12/05/2017	Other	Cash Payment	17,590.54
12/05/2017	Other EFTs	Patient/Resident account	82,473.13
12/06/2017	Medicare EFT	Patient/Resident account	67,777.72
12/06/2017	Other commercial	Patient/Resident account	3,245.44
12/06/2017	Other	Cash Payment	3,032.40
12/06/2017	Other EFTs	Patient/Resident account	57,280.18
12/07/2017	Medicare EFT	Patient/Resident account	2,831.45
12/07/2017	Other	Cash Payment	24,193.16
12/07/2017	Other EFTs	Patient/Resident account	253,673.19
12/08/2017	Medicare EFT	Patient/Resident account	25,273.33
12/08/2017	Other commercial	Patient/Resident account	732.56
12/08/2017	Other	Cash Payment	23,315.54
12/08/2017	Other EFTs	Patient/Resident account	80,893.45
12/11/2017	Medicare EFT	Patient/Resident account	38,440.06
12/11/2017	Other commercial	Patient/Resident account	14,465.03
12/11/2017	other	Cash Payment	9,689.37
12/11/2017	Other EFTs	Patient/Resident account	123,710.98
12/12/2017	CIGNA	Patient/Resident account	1,897.51
12/12/2017	Other commercial	Patient/Resident account	7,016.43
12/12/2017	other	Cash Payment	53,907.62
12/12/2017	Other EFTs	Patient/Resident account	79,435.28
12/13/2017	Medicare EFT	Patient/Resident account	6,377.21
12/13/2017	Other commercial	Patient/Resident account	559.56
12/13/2017	Other	Cash Payment	45,327.14
12/13/2017	Other EFTs	Patient/Resident account	39,488.00
12/14/2017	Medicare EFT	Patient/Resident account	12,162.32
12/14/2017	Other	Cash Payment	2,489.56
12/14/2017	Other EFTs	Patient/Resident account	190,479.02
12/15/2017	Medicare EFT	Patient/Resident account	13,247.91
12/15/2017	Other commercial	Patient/Resident account	1,406.63
12/15/2017	Other	Cash Payment	33,000.40
12/15/2017	Other EFTs	Patient/Resident account	134,986.38
12/18/2017	Medicare EFT	Patient/Resident account	29,195.41
12/18/2017	Other commercial	Patient/Resident account	1,179.68
12/18/2017	Other	Cash Payment	21,993.89
12/18/2017	Other EFTs	Patient/Resident account	380,846.87
12/19/2017	Medicare EFT	Patient/Resident account	29,662.67
12/19/2017	CIGNA	Patient/Resident account	4,673.33
12/19/2017	Other commercial	Patient/Resident account	19,459.01
12/19/2017	Other	Cash Payment	19,039.25
12/19/2017	Other EFTs	Patient/Resident account	39,339.98
12/20/2017	Medicare EFT	Patient/Resident account	48,677.60
12/20/2017	Other commercial	Patient/Resident account	4,477.25
12/20/2017	Other	Cash Payment	2,102.94

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO:

16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 12/01/2017 to 12/31/2017

CASH RECEIPTS DETAIL

Account No:

7301

(attach additional sheets as necessary)

Date	Payer	Description	Amount
12/20/2017	Other EFTs	Patient/Resident account	15,832.08
12/21/2017	Medicare EFT	Patient/Resident account	29,416.30
12/21/2017	Other	Cash Payment	7,741.99
12/21/2017	Other EFTs	Patient/Resident account	83,750.61
12/22/2017	Medicare EFT	Patient/Resident account	8,219.06
12/22/2017	Other commercial	Patient/Resident account	75.06
12/22/2017	Other	Cash Payment	20,254.77
12/22/2017	Other EFTs	Patient/Resident account	23,162.33
12/26/2017	Medicare EFT	Patient/Resident account	12,786.73
12/26/2017	Other commercial	Patient/Resident account	9,979.61
12/26/2017	QRA	Cash Payment	1,469,352.00
12/26/2017	Other	Cash Payment	34,803.80
12/26/2017	Other EFTs	Patient/Resident account	177,778.17
12/27/2017	Medicare EFT	Patient/Resident account	7,660.44
12/27/2017	CIGNA	Patient/Resident account	1,748.81
12/27/2017	Other commercial	Patient/Resident account	36,189.92
12/27/2017	Other	Cash Payment	37,326.41
12/27/2017	Other EFTs	Patient/Resident account	26,232.95
12/28/2017	Medicare EFT	Patient/Resident account	21,654.96
12/28/2017	Other	Cash Payment	44,402.38
12/28/2017	Other EFTs	Patient/Resident account	347,847.93
12/29/2017	Medicare EFT	Patient/Resident account	3,118.36
12/29/2017	Other	Cash Payment	6,941.63
12/29/2017	Other EFTs	Patient/Resident account	110,926.67

Total Cash Receipts

\$ 4,969,082.06 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

Rev. 1/15/14

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 12/01/2017 to 12/31/2017

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

8425

Date	Check No.	Payee	Description (Purpose)	Amount
12/07/17	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	99,275.88
12/07/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	17,077.84
12/07/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- auto deposit	572,781.78
12/07/17	EFT	Electronic Funds Transfer	Trsf to pension act 7901	52,769.62
12/08/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	332.90
12/11/17	EFT	Electronic Funds Transfer	FICA payroll taxes	98,130.87
12/11/17	EFT	Electronic Funds Transfer	Federal withholding payroll taxes	110,668.31
12/12/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	3,707.86
12/13/17	EFT	Electronic Funds Transfer	Montana state tax	1,009.00
12/20/17	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	137,882.22
12/21/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- manual chks	16,233.20
12/21/17	EFT	Electronic Funds Transfer	Trsf to payroll act 4501- auto deposit	628,498.24
12/21/17	EFT	Electronic Funds Transfer	Trsf to pension act 7901	50,518.61
12/26/17	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	115,378.22
12/26/17	EFT	Electronic Funds Transfer	FICA payroll taxes	99,591.41
12/26/17	EFT	Electronic Funds Transfer	Federal withholding payroll taxes	144,480.26
12/28/17	EFT	Electronic Funds Transfer	Montana state tax	1,004.00
12/28/18	EFT	Electronic Funds Transfer	Trsf to EBMS act 6301	143,968.96

9171 - 9587	Accounts Payable checks	See attached check register	2,118,482.26
9532	Accounts Payable	Void - DS	545.38
9540	Accounts Payable	Void - LS	1,750.00
9082	Accounts Payable	Void - Big Horn Dist	-1,262.12
9106	Accounts Payable	Void First Choice health	-323.95
8307	Accounts Payable	Void - Powell Ace Hardware	-50.32

Total Cash Disbursements \$ 4,412,450.43 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

Rev. 1/15/14

Form 2-C
COMPARATIVE BALANCE SHEET
For Period Ended: 12/31/2017

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 4,049,707	\$ 4,255,881
Accounts Receivable (from Form 2-E)	8,108,220	8,383,526
Receivable from Officers, Employees, Affiliates	0	0
Inventory	767,649	757,444
Other Current Assets : (List) <u>Pre-paid Expense</u>	938,005	865,872
<u>Receivable from legal settlements</u>	11,450,000	11,450,000
Total Current Assets	\$ 25,313,581	\$ 25,712,723
Fixed Assets:		
Land	\$ 0	\$ 0
Building	694,434	694,434
Equipment, Furniture and Fixtures	10,235,972	9,997,873
Total Fixed Assets	10,930,406	10,692,307
Less: Accumulated Depreciation	(9,352,940)	(8,254,973)
Net Fixed Assets	\$ 1,577,466	\$ 2,437,334
Other Assets (List): _____	0	0
_____	0	0
TOTAL ASSETS	\$ 26,891,047	\$ 28,150,057
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ 1,483,531	\$ 1,167,152
Post-petition Accrued Profesional Fees (from Form 2-E)	363,505	250,000
Post-petition Taxes Payable (from Form 2-E)	147,668	172,650
Post-petition Notes Payable	139,290	128,056
Other Post-petition Payable(List): <u>see schedul 2G liab</u>	1,850,192	3,405,269
<u>Legal claim reserve</u>	11,750,000	11,750,000
Total Post Petition Liabilities	\$ 15,734,186	\$ 16,873,127
Pre Petition Liabilities:		
Secured Debt	929,932	1,153,923
Priority Debt	0	0
Unsecured Debt	908,942	1,415,297
Total Pre Petition Liabilities	\$ 1,838,874	\$ 2,569,220
TOTAL LIABILITIES	\$ 17,573,060	\$ 19,442,348
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 0	\$ 0
Retained Earnings - Prepetition	8,691,606	8,691,606
Retained Earnings - Post-petition	626,381	16,103
TOTAL OWNERS' EQUITY	\$ 9,317,987	\$ 8,707,709
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 26,891,047	\$ 28,150,057

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-D
PROFIT AND LOSS STATEMENT
For Period 12/01/2017 **to** 12/31/2017

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ 6,506,823	\$ 123,448,671
Less: Discounts, Returns and Allowances	(1,897,861)	(49,232,052)
Net Operating Revenue	\$ 4,608,962	\$ 74,216,619
Cost of Goods Sold	3,265,964	63,162,763
Gross Profit	\$ 1,342,998	\$ 11,053,856
Operating Expenses		
Officer Compensation	\$ 21,976	\$ 300,301
Selling, General and Administrative	0	0
Rents and Leases	83,330	1,644,266
Depreciation, Depletion and Amortization	62,302	1,204,270
Other (list): <u>Repairs</u>	56,112	1,123,768
<u>Insurance</u>	54,583	1,067,386
Total Operating Expenses	\$ 278,303	\$ 5,339,991
Operating Income (Loss)	\$ 1,064,695	\$ 5,713,865
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ 0	\$ 0
Gains (Losses) on Sale of Assets	0	0
Interest Income	0	0
Interest Expense	-10,319	-89,354
Other Non-Operating Income	0	0
Net Non-Operating Income or (Expenses)	\$ -10,319	\$ -89,354
Reorganization Expenses		
Legal and Professional Fees	\$ 400,653	\$ 4,815,339
Other Reorganization Expense	0	0
Total Reorganization Expenses	\$ 400,653	\$ 4,815,339
Net Income (Loss) Before Income Taxes	\$ 653,723	\$ 809,172
Federal and State Income Tax Expense (Benefit)	0	0
NET INCOME (LOSS)	\$ 653,723	\$ 809,172

(1) Accumulated Totals include all revenue and expenses since the petition date.

Rev. 1/15/14

DEBTOR(S):

Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-E (Page 1 of 2)
SUPPORTING SCHEDULES

For Period: 12/01/2017 to 12/31/2017

Summary of Post-Petition Taxes				
Type of tax	1	2	3	4
	Unpaid post-petition taxes from prior reporting month(1)	Post-petition taxes accrued this month (new obligations)	Post-petition tax payments made this reporting month	Unpaid post-petition taxes at end of reporting month (columns 1+2-3)
Federal				
Employee income tax withheld		255,149	255,149	
Employee FICA taxes withheld	14	98,847	98,861	(0)
Employer FICA taxes	14	98,847	98,861	(0)
Unemployment taxes				
Other:				
State				
Sales, use & excise taxes	142	71		213
Unemployment taxes				
Other: Worker Compensation	100,133	47,323		147,456
Local				
Personal property taxes				
Real property taxes				
Other:				
Total unpaid post-petition taxes				147,668

(1) For first report, the beginning balance in column 1 will be \$0; thereafter, beginning balance will be ending balance from prior report.

Insurance Coverage Summary				
Type of insurance	Insurance carrier	Coverage amount	Policy expiration date	Premium paid through date
Workers' compensation	State of Wyoming	Not Applicable	Not Applicable	Not Applicable
General liability	National Fire & Risk/AB Risk, Medical Protective, USI Insurance Service	\$1M/\$5M \$5M Umbrella	08/01/2018	03/31/2018
Property (fire, theft, etc.)	Affiliated FM Insurance Company, USI Insurance Service	Bldg \$100m Flood \$75m	08/01/2018	07/31/2018
Vehicle	Liberty Mutual, USI Insurance Service - Vehicle Only - National Indemnity - Ambulance	\$1M auto & \$1m Ambulance	08/01/2018	07/31/2018
Other (list): Director & Officer Liability	Worldwide Facilities, LLC., USI Insurance Service	\$2m	08/01/2018	08/01/2018
Other (list): Internet/Cyber Liability	NAS/Lloyd's of London, USI Insurance Service	\$1m/claim \$1m/agg	08/01/2018	08/01/2018
Other (list): Crime	Berkley Crime, USI Insurance Service - Extended one month to match others	\$500,000	08/01/2018	08/01/2018

If any policies were renewed or replaced during reporting period, attach new certificate of insurance.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-E (Page 2 of 2)
SUPPORTING SCHEDULES

For Period: 12/01/2017 00:00 to 12/31/2017 00:00

Accounts Receivable Aging Summary (attach detailed aging report)					
	30 days or less	31 to 60 days	61 to 90 days	Over 90 days	Total at month end
Pre-petition receivables				26,781	26,781
Post-petition receivables	3,779,119	2,093,113	858,739	1,863,963	8,594,934
Total	3,779,119	2,093,113	858,739	1,890,744	8,621,715

Post-Petition Accounts Payable Aging Summary (attach detailed aging report)					
	30 days or less	31 to 60 days	61 to 90 days	Over 90 days	Total at month end
Trade Payables	504,414	110,277	43,014	786,477	1,444,181
Other Payables	6,650	3,450	3,450	25,800	39,350
Total	511,064	113,727	46,464	812,277	1,483,531

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS					
	Month-end Retainer Balance	Current Month's Accrual	Paid in Current Month	Court Approval Date	Month-end Balance Due *
Debtor's Counsel	\$203,164	43,000	70,174	12/07/17	\$175,990
Counsel for Unsecured					
Creditors' Committee	177,738	30,000	22,223	12/07/17	\$185,515
Trustee's Counsel					
Accountant S Miller HT		29,243	29,243	04/19/17	
Other: CKKK/Casey Peters		11,963	9,963		\$2,000
Total	380,902	114,205	131,603		363,505

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**			
Payee Name	Position	Nature of Payment	Amount
Terry Odom	Chief Executive Officer	Salary/Wages/Expense Reimbursement	21,976

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer, or director.

DEBTOR(S): Powell Valley Health Care, Inc.

CASE NO: 16-20326

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: 12/31/2017

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	<u>20 17</u>	\$ 3,828,457			
February	<u>20 17</u>	3,489,036			
March	<u>20 17</u>	4,204,015			
TOTAL 1st Quarter	\$	<u>11,521,508</u> \$	<u>13000</u>	<u>5902</u>	<u>04/12/17</u>
April	<u>20 17</u>	\$ 3,722,454			
May	<u>20 17</u>	3,981,145			
June	<u>20 17</u>	3,317,423			
TOTAL 2nd Quarter	\$	<u>11,021,023</u> \$	<u>12,763</u>	<u>7207</u>	<u>07/14/17</u>
July	<u>20 17</u>	\$ 3,749,995			
August	<u>20 17</u>	4,744,693			
September	<u>20 17</u>	3,788,067			
TOTAL 3rd Quarter	\$	<u>12,282,754</u> \$	<u>13,000</u>	<u>8438</u>	<u>10/17/17</u>
October	<u>20 17</u>	\$ 4,233,909			
November	<u>20 17</u>	3,777,575			
December	<u>20 17</u>	4,412,450			
TOTAL 4th Quarter	\$	<u>12,423,935</u> \$	<u>13,000</u>	<u>9,842</u>	<u>01/18/18</u>

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

Rev. 1/15/14

DEBTOR(S) Powell Valley Health Care, Inc.

CASE NO: 16-20326

**Form 2-G
NARRATIVE**

For Period Ending: 12/31/2017

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

FORM 2B-1 Line 50, Cash Accounts are made up of General Checking #7301, EBMS Checking #6301, Flex Spending #3101, Care Center Resident Trust #2088, Employee Benefit #5601, and Pension #7901. Form 2B-3 Cash Disbursements other is for vendor deposits made during the period. **Form 2C-Liabilities**, line 38 Other Payables, this line is made up of accrued Provider Incentives \$ 225,712 Accrued Payroll \$ 0, 3rd Party Receivable/Payable (Medicare Cost Report Settlement) \$(36,237), Assisted Living Room Retainer \$41,000, NH Resident Trust \$8,031, and Accrued Benefits \$1,631,440 **Form 2D** Officer compensation equals the amount listed on Form 2E. Rent, Depreciation, Interest, Repairs, and Insurance are from facility income statement, all other expenses is combined into cost of goods sold. **Form 2-E pg 2** "Other" fees are for Copenhagen, Kath, Kitchen, & Kolpitcke for non-chapter 11 hospital legal counsel of \$ 2,000 - Casey Peterson for annual audit/cost report 9,962. "Accountant" section includes Interim CFO of \$29,243. Principals/Executives - Terry Odom salary.